

The Governor announced his pension reform plan to the Rotary Club in Baton Rouge on January 25 and LASERS Executive Director Cindy Rougeou had the following response:

Addressing public pension debt in a meaningful and constitutional manner is important and has been supported by LASERS.

An example of meaningful reform is Act 992 of 2010 which addressed all four state plans, including teachers and hazardous duty members.

Singling out rank and file members, as is being proposed, raises serious questions of fairness and focuses the proposal on only a small portion of the UAL.

Promises to current employees must be kept. Changing the rules in the middle of the game for mid-career employees is not a promise kept.

Louisiana has been refining its defined benefit (DB) plans for state employees since 2005. Other states are just now implementing many of the reforms Louisiana has already put in place.

Appropriating surplus funds is another effort that has a meaningful impact on system debt. LASERS recommendation of reform to change the actuarial cost method will free up funds that can be used to reduce system debt.

A cash balance plan for new hires, depending on how it is structured, can be a viable option. But it would not reduce the debt. And of course, portability does nothing to retain a stable work force.

Because states last in perpetuity, any comparison of our state to Kodak is curious at best. Numerous studies (including a 2005 PAR report) have concluded that a defined benefit (DB) plan is the best fit for Louisiana.

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